

**SAMPLE PLEDGED REVENUE AND FUNDS (PRF)
RESOLUTION FOR PUBLICLY OWNED ENTITIES**

RESOLUTION NO. _____

RESOLUTION OF _____ AUTHORIZING _____ TO SIGN FINANCING AGREEMENT, AMENDMENTS, AND CERTIFICATIONS FOR FUNDING UNDER THE DRINKING WATER STATE REVOLVING FUND; AUTHORIZING _____ TO APPROVE CLAIMS FOR REIMBURSEMENT; AUTHORIZING _____ TO EXECUTE BUDGET AND EXPENDITURE SUMMARY; AUTHORIZING _____ TO SIGN THE FINAL RELEASE FORM AND _____ TO SIGN THE CERTIFICATION OF PROJECT COMPLETION [only applies to construction projects]; AND DEDICATING REVENUES FROM _____ AS THE SOURCE OF REVENUE TO REPAY SAID LOAN.

WHEREAS, _____ made application to the State Water Resources Control Board for financing under the Drinking Water State Revolving Fund (DWSRF) for a project commonly known as _____ ("Project"); and

WHEREAS, on (date), (Applicant entity's legal name/Board of Directors) adopted a Project budget totaling \$ _____; and

WHEREAS, on (date), the State Water Resources Control Board notified (Applicant entity's legal name/Board of Directors) financing in the amount of \$ _____ in loan and \$ _____ principal forgiveness [as applicable] was available for the Project under the DWSRF program for the Project; and

WHEREAS, the financing agreement for the Project, under the DWSRF will provide for a _____ year repayment period at a _____ percent interest rate; and

WHEREAS, the remaining \$ _____ of project costs are to be funded from [insert source of funds]; and (insert if project is not fully funded by the DWSRF)

WHEREAS, prior to the State Water Resources Control Board executing a financing agreement, (Applicant entity's legal name/Board of Directors) is required to pass a resolution establishing a dedicated source of revenue to repay the Loan, authorizing an officer to execute all financing agreements, amendments, and certifications, designating a person to approve claims for reimbursement, designating a person (Authorized Representative or registered engineer) to sign the Budget and Expenditure Summary, designating a person (Authorized Representative or registered engineer) to sign Certification of Project Completion [only applies to construction projects], and designating a person to sign the Final Release Form.

WHEREAS, prior to the State Water Resources Control Board issuing any DWSRF financing agreement, (Applicant entity's legal name/Board of Directors) is required to establish water rates and charges in amounts sufficient to generate and maintain annual net revenues from its _____ equal to at least _____ times the total annual debt service payable from its _____. *(When required by SWRCB)*

NOW, THEREFORE, BE IT RESOLVED AND ORDERED, that the (Title of Authorized Representative) is hereby authorized to incur Indebtedness pursuant to the DWSRF financing agreement. (The term "Indebtedness" as used herein means all principal forgiveness, debts, obligations and liabilities, currently existing or now or hereafter made, incurred or created in connection with the DWSRF loan and the DWSRF Principal Forgiveness [DELETE "and the DWSRF Principal Forgiveness" IF PRINCIPAL FORGIVENESS DOES NOT APPLY]); and

BE IT FURTHER RESOLVED AND ORDERED, that the (Title of Authorized Representative) is hereby authorized to sign the DWSRF program financing agreement for the Project and any amendments thereto; and

BE IT FURTHER RESOLVED AND ORDERED, that the (Title of Authorized Representative) is hereby authorized to approve Claims for Reimbursement under the DWSRF program; and

BE IT FURTHER RESOLVED AND ORDERED, that the (Title of Authorized Representative) is hereby authorized to execute the Budget and Expenditure Summary for the DWSRF program; and

BE IT FURTHER RESOLVED AND ORDERED, that the (Title of Authorized Representative) is hereby authorized to sign the Final Release Form for the DWSRF Program; and

BE IT FURTHER RESOLVED AND ORDERED, that the (Title of Authorized Representative) is hereby authorized to certify that the project is complete and ready for final inspection; and

BE IT FURTHER RESOLVED AND ORDERED, that (Applicant entity's legal name) does hereby designate revenues from its (Note to financing recipient; this must be water rates and charges, assessments, or some other specific revenue stream e.g. net revenues of the Water Enterprise Fund. You must use the title of the fund as used by your entity's financial system. If an assessment is the revenue stream you should use the title of the assessment and the date it was enacted) as the dedicated source of revenue to repay the DWSRF loan and pledges its [name the source of collateral] as collateral for the DWSRF loan. This dedication and pledge shall remain in full force and effect until the DWSRF loan is fully discharged, unless modification or change of such dedication and pledge is approved in writing by the State Water Resources Control Board. If for any reason, the said source of revenues proves insufficient to satisfy the debt service of the DWSRF loan, sufficient funds shall be raised through increased water rates, user charges, or assessments or any other legal means available to meet the DWSRF loan obligation and to operate and maintain the project.

BE IT FURTHER RESOLVED AND ORDERED, that (Applicant Entity's legal name) shall establish water rates and charges in amounts sufficient to generate and maintain annual net revenues from its _____ equal to at least _____ times the total annual debt service payable from its _____ until the DWSRF loan is repaid in full. **(When required by SWRCB)**

BE IT FURTHER RESOLVED AND ORDERED, the authority granted hereunder shall be deemed retroactive. All acts authorized hereunder and performed prior to the date of this Resolution are hereby ratified and affirmed. The State Water Resources Control Board is authorized to rely upon this Resolution until written notice to the contrary, executed by each of the undersigned, is received by the State Water Resources Control Board. The State Water Resources Control Board shall be entitled to act in reliance upon the matters contained herein, notwithstanding anything to the contrary contained in the formation documents of the (Applicant entity's legal name) or in any other document.

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Passed and adopted by (Applicant entity's legal name/Board of Directors) on (date), by the following vote:

AYES:	Directors	_____
NOES:	Directors	_____
EXCUSED:	Directors	_____
		_____, President

ATTEST:

_____, Secretary of the _____

By: _____, Deputy Clerk